(d) the reaction of Government thereto?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) Soda ash is classified under Exim Code No. 28362009 of ITC(HS) Classifications of Export and Import Items, 1997-2002, and its import is free. The Government of India has not imposed any restriction whatsoever on the import of US natural soda ash in India. Individual US companies are free to export their product to India.

In 1996 Monopolies and Restrictive Trade Practices Commission (MRTPC) passed a temporary in-junction on export of natural soda ash to India by American Natural Soda Ash Corporation(ANSAC). The commission, prima-facie, found that ANSAC was indulging in restrictive trade practices of cartelisation which attracted the provisions of the MRTP Act, 1969. The case pending before MRTPC has not yet been finally decided.

This issue was raised by the United State Trade Representative (USTR) this year. The Government of India has since replied to the USTR. It has been pointed out to the USTR that MRTPC is an independent judicial body and the executive cannot interfere in its functioning.

Creation of Technology/Modernisation Fund

5202. SHRI R.S. GAVAI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government propose to create Technology/Modernisation fund to help the paper industry based on non-conventional raw material;

(b) if so, the details thereof;

(c) whether Government have received any memorandum from the Indian Agro Paper Mills' Association for various measures for the survival of the domestic paper industry;

(d) if so, the details thereof; and

(e) the action proposed thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Government has recently received a representation from a Paper Mill Association for creation of Technology/ Modernisation Fund to help the paper industry. Government has not taken any decision.

(c) Yes, Sir.

(d) Apart from creation of Technology/Modernisation fund, the Association has requested for enhancement of export incentives, increase in custom duty on paper and newsprint, complete exemption of excise duty on paper manufactured using non-conventional raw material, restriction on import of waste paper to actual users, withdrawal of concession given on import of paper containing mechanical pulp amounting to not less than 70 per cent by weight of total fibre content, removal of concession given to glazed and standard newsprint, increase in custom duty on Light Weight Coated Paper, etc.

(e) Most of the demands relate to the tariff concession and Government has already taken a number of steps to help the Paper Industry, including the following:—

(i) The industry has completely been delicensed subject to the locational policy.

(ii) The induction of technology is allowed both through FDI and through foreign technology collaborations.

(iii) Paper manufactured with not less than 75% non-conventional raw material has been exempted from payment of excise duty upto first clearance of 3500 M.T. per annum.

(iv) Import of Paper attracts the peak rate of duty at 35% alongwith surcharge this amounts to 38.5%.

(v) Import of Newsprint attracts basic duty at 5% and surcharge at 10% of basic duty.

(vi) Concessional rate of 5% custom duty for import of waste paper has been allowed only to actual users. Other Importers will have to pay 15% duty on import of waste paper.

(vii) There is a concessional rate of custom duty @ 5% on import of wood pulp for manufacture of newsprint.

(viii) The concession given on import of paper containing mechanical pulp amounting to not less than 75% by weight of total fibre content has been withdrawn.

(ix) There is no custom duty on import of wood pulp for manufacture of newsprint.

(x) Newsprint has been exempted from excise duty.